

# Pay Equity Assessment: The Process



Concerns about pay equity have greatly intensified in recent years as numerous U.S. states and territories, as well as several countries abroad have adopted pay equity laws.

To help companies determine whether they are in compliance with these new laws, Littler developed the Pay Equity Assessment Tool. The Littler Pay Equity Assessment Tool allows employers to proactively analyze their compensation data, identify areas of risk, and work towards a solution. If you decide to conduct a pay equity audit utilizing the Pay Equity Assessment Tool, Littler's Pay Equity Attorneys will use the Tool to take you through the following steps:



## Project Launch

We begin each Pay Equity Assessment by setting up a meeting with you to discuss the scope of the project and customize it to your organizational needs. We will discuss the structure of your organization and your compensation system, your goals for the project, as well as the audit timing and timeline that make sense for your organization.



## Data Collection

Once we have gathered information relevant to your compensation practices, we will collaborate with your appropriate Human Resources and compensation representatives to identify and collect the proper data. These conversations will also help us structure our analysis by identifying groupings of employees performing similar job duties.



## Preliminary Analysis

Once we have the applicable data, we will perform an initial analysis using our proprietary technology, the Littler Pay Equity Assessment Tool. Relying on our Pay Equity Assessment Tool, we will run statistical analyses that evaluate pay differences by state, job grouping, pay grades, or other appropriate groups.



## Additional Analysis

Once we identify areas or groups where the differences are significant, we will work with your team to determine whether legitimate business factors, such as geography, tenure, time on the job, or other similar factors, explain any differentials we observe.



## Remediation Advice

If we find compensation differentials in any groups that cannot be explained by legitimate business reasons, we can work with you to help determine if pay adjustments should be made. We also can provide advice and recommendations on other steps you might consider, such as modifying your compensation practices or revising policies, procedures and practices, to minimize future pay disparities.

Throughout the course of the Pay Equity Assessment, we will work with you to ensure the project, analysis, and results of the audit are conducted in a privileged context.

To learn more about Littler's Pay Equity Assessment, contact us at [ServiceSolutions@littler.com](mailto:ServiceSolutions@littler.com) or visit our web page at <https://www.littler.com/service-solutions/littler-pay-equity-compliance>

At Littler, we understand that workplace issues can't wait. With access to more than 1,500 employment attorneys in over 80 offices around the world, our clients don't have to. We aim to go beyond best practices, creating solutions that help clients navigate a complex business world. What's distinct about our approach? With deep experience and resources that are local, everywhere, we are fully focused on your business. With a diverse team of the brightest minds, we foster a culture that celebrates original thinking. And with powerful proprietary technology, we disrupt the status quo—delivering groundbreaking innovation that prepares employers not just for what's happening today, but for what's likely to happen tomorrow. For over 75 years, our firm has harnessed these strengths to offer fresh perspectives on each matter we advise, litigate, mediate, and negotiate. Because at Littler, we're fueled by ingenuity and inspired by you.